



Missouri Department of
Higher Education and
Workforce Development

OWD Issuance 08-2020

Release Number—Program Year

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September 22, 2020

Effective Date:

September 22, 2020

Expiration Date:

Continuous, until further notice

SUBJECT: Sanction Policy

ATTACHMENTS: (1)—None.

*This Issuance is Official Policy
of the Missouri Department of
Higher Education and Workforce
Development*

ISSUING AUTHORITY:

Mardy Leathers, Director
Missouri Office of
Workforce Development
(OWD)

**THIS ISSUANCE DOES NOT REQUIRE
CREATION OR ALTERATION OF A
CORRESPONDING LOCAL POLICY**

KEYWORDS:

Expenditure; Performance; Workforce
Innovation & Opportunity Act
(WIOA)

THIS ISSUANCE AFFECTS:

Missouri One-Stop Delivery System (MJC/AJCs)
WIOA Title I Local Areas/Local Boards/Local Plans
WIOA Title I In-State Funding
WIOA Title I Performance/Accountability
WIOA Title I One-Stop Delivery/Service Providers
WIOA Adult Employment/Training
WIOA Dislocated Worker Employment/Training
WIOA Youth Workforce Investment Activities
WIOA Title III Wagner-Peyser Act Services
WIOA Section 188 Nondiscrimination Issues
National/Statewide Programs/Grants
WIOA Fiscal/Administrative Procedures
State of Missouri Workforce System Procedures

FOR THE ATTENTION OF:

One-Stop Frontline staff
Chief Elected Officials
Local Fiscal Agents
Local WDB Chairpersons
Local WDB Directors
Local WDB Members
One-Stop Operators
One-Stop Functional Leaders
Service Providers
Local Equal Opportunity Officers
Local Quality Assurance Monitors
Local Trade Act Reps

RESCISSIONS:

None.

REFERENCES:

U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL 11-19](#)), "Negotiations and Sanctions Guidance for the (WIOA) Core Programs", February 6, 2020.
[TEGL 10-16, Change 1](#), "Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs," August 23, 2017.

OWD's current WIOA Annual Agreement

OWD's current policy on [WIOA Formula Allocations](#).

[OWD Issuance 17-2019, Change 1](#), "WIOA Expenditure Policy," March 27, 2020.

[OWD Issuance 13-2019](#), "(WIOA) Youth Program Framework and Design Policy," December 26, 2019.

[OWD Issuance 7-2019](#), "(WIOA) Work Experiences for Youth Participants," September 19, 2019.

[OWD Issuance 06-2018](#), "Supplemental Wage Information for Workforce Innovation and Opportunity Act Performance Reporting," November 20, 2018.

[OWD Issuance 28-2017](#), "Credential Attainment Policy," June 5, 2018.

[OWD Issuance 22-2017](#), "Effectiveness in Serving Employers Performance Measure," April 4, 2018.

[OWD Issuance 19-2017](#), "Measurable Skill Gains Policy," February 02, 2018.

[OWD Issuance 17-2017](#), "Point of Exit for Reporting Indicators of Performance," January 16, 2018.

SUMMARY:

This issuance is to establish an Office of Workforce Development (OWD) sanction process for all subrecipients of federal grant awards, and state grants, where applicable, in reference to meeting Expenditure and Performance requirements.

BACKGROUND:

The purpose of the sanctions process is to ensure accountability of subrecipients (i.e., partners, contracted providers, intermediaries) in meeting the needs of the local workforce development system; ensure and/or improve performance in achieving outcome measures; ensure compliance with applicable federal and state laws, regulations, policies, guidance, and terms and conditions of applicable awards, contracts, etc. To accomplish these responsibilities, as well as to satisfy its oversight role, the OWD may impose penalties or conditions to remedy or to mitigate the risk of a sanctionable act, if it determines that a “sanctionable act” has occurred, or if a subrecipient is determined to be “at-risk” or “high-risk” for noncompliance or nonperformance.

SUBSTANCE:

Any Local WDB that fails to meet the required training expenditure level, performance outcomes, or has persistent compliance issues will receive a sanction and the issue will be identified on quarterly report cards.

WIOA Expenditure Requirement

All Local Workforce Development Boards (Local WDBs) are required to expend at least 40% of their formula-allocated WIOA Adult and Dislocated Worker funds each program year on allowable training and other direct participant costs.¹

If the Local WDB does not meet the required WIOA Youth Expenditure rates such as the 20% work-based learning requirement, 75% expenditure requirement on Out-of-School youth, or if they exceed the 5% limits on youth who are over-income or In-School Youth whose only barrier is “needs additional assistance” they will be subject to sanctions.

The sanctions for not meeting the expenditure requirements are listed below. Please note that subsequent years of non-compliance will have more significant sanctions, as indicated below:

- Initial year:
OWD will issue a written warning to any Local WDB that does not meet the requirements of their contract provisions. After receiving a warning, the Local WDB must submit a written plan addressing how they will become compliant within the next year. The Local Workforce Development Area (LWDA) Chief Elected Official (CEO) and Board Chair must be included in the creation of the plan and their signatures obtained.
- Subsequent years:
When a Local WDB repeatedly fails the same expenditure requirement(s), as outlined in OWD Issuances, they will be ineligible for additional discretionary funds until they can prove there is a local need and they show a dedication to compliance. OWD will notify the Local WDB, CEO and Board in writing of this sanction, and the Local WDB will be required to participate in technical assistance or training as identified by OWD.

WIOA Performance and Expenditure Requirements

In addition to the Statewide WIOA Expenditure Requirement, each Local WDB must achieve their adjusted levels of performance² for required WIOA performance measures³ and ensure compliance in all WIOA programs.

¹ [OWD Issuance 17-2019 C1, WIOA Expenditure Policy, March 27, 2020.](#)

² [20 CFR 677.210](#)

³ [20 CFR 677.155\(a\)\(1\)](#) and [677.205](#)

If a local area fails to meet 90% of the adjusted levels of performance agreed upon for the primary indicators of performance in the WIOA adult, dislocated worker, and youth programs corrective action and sanctions must be applied.⁴

The sanctions for not meeting performance measures are listed below. Please note that subsequent years of non-compliance will have more significant sanctions, as indicated below:

- Initial year:
OWD will issue a written warning to any Local WDB that does not meet their negotiated levels of performance. After receiving a warning, the Local WDB must submit a written plan addressing how they will become compliant within the next year. The LWDA CEO and Board Chair must be included in the creation for the plan and their signatures obtained.
- Second year:
OWD will notify the Local WDB, CEO and Board Chair in writing that they must participate in technical assistance sessions⁵ with OWD in order to:
 - Develop a performance improvement plan
 - Updated Local or Regional plan
 - Identify other corrective actions as determined by OWD.
- Third year:
When a Local WDB repeatedly fails to meet the same performance requirement(s) for a third consecutive program year specific sanctions, including a reorganization plan are required.⁶ In addition to the reorganization plan, the following sanctions may be applied:
 - OWD will require the appointment and certification of a new Local WDB, consistent with the criteria established under § 679.350;
 - OWD will prohibit the use of eligible providers and/or one-stop partners that have been identified as achieving poor levels of performance;
 - OWD may take other significant actions, which may include but is not limited to, the Local WDB will be ineligible for additional discretionary funds until they can demonstrate compliance with the primary WIOA performance measures.

ROLES, RESPONSIBILITIES, and REQUIRED ACTIONS:

All Local WDB Chairs, Chief Elected Officials, Local WDB Directors, should immediately review local process to ensure compliance with the applicable issuances.

TIMELINE:

Workforce Boards and Subrecipients – Implementation of these rules.....Immediate and Continuous

INQUIRIES:

Please direct all questions or comments regarding this Issuance document to dwdpolicy@dhewd.mo.gov. All active Issuances are available at jobs.mo.gov/dwdissuances. Expired/rescinded Issuances are available on request.

For information about [Workforce Development](#) services, contact a [Missouri Job Center](#) near you.

Locations and additional information are available at jobs.mo.gov or 1-(888)-728-JOBS (5627).

Missouri Department of Higher Education and Workforce Development is an [equal opportunity](#) employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

Missouri Relay Services at 711.

⁴ [20 CFR 677.220](#)

⁵ [20 CFR 677.220\(a\)\(2\)](#)

⁶ [20 CFR 677.220\(b\)](#)